

General Trends and Variables

(as written,
too strong)

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too strong)

~~SECRET~~Southeast Asia (Indochina, Burma, Malaya, Thailand, Indonesia)General Trends and Variables

1. During the period of this estimate the attitude of the non-Communist countries of Southeast Asia will be heavily affected by developments in Indochina, and to a lesser extent by other developments in the East-West struggle. Barring a Western reverse in the Indochina conflict, Burma and Thailand will probably at least maintain and may increase their present degree of pro-Western sentiment and practical cooperation with the West. In Indonesia, attitudes will be somewhat more independent of Indochina events, but are in any event very uncertain and difficult to predict. Malaya is of course a special case, with the UK attitude unlikely to change (see preceding section ____), and the main variable being the native attitude toward the Communist revolt.

Indonesia also possibly maintain minimum cooperation with West

2. Thus, in the event of developments plainly unfavorable to the West in Indochina, such as a substantial increase in Communist-held territory or a clear French battle defeat, the effects would be serious in mainland Southeast Asia. ~~It would~~ ^{external} ~~probably~~ ~~bring about~~ additional Communist pressure to bring about a Thai accommodation to Communism. However Thailand reacted, Burma's position would become ^{more} so exposed that there would

These might be defined a little more precisely

Following a Sino-Soviet blow to the West in I-C, + provided

Thailand did not appear imminent

and there might be an increased demand for accommodation but only if no support for the latter

Q/NB

almost certainly be an overwhelming popular and official swing to Communist accommodation. Malaya would hold on somewhat longer, but the Communist revolt would almost certainly increase to unmanageable proportions over a period. In Indonesia the short-run effects might be limited, but it too would be much more vulnerable to Communist influence and would probably become Communist-dominated in the long run.

Don - pls. comment. Seems too follow lead of India, but if no help would unhappily accommodate(?)

that so much a matter of internal revolt as it would be Communist pressure on northern borders.

also Malaya and Indonesia in different strategic position than Thailand & Burma. also Malaya part of Communist

3. However, it should be noted that even if Indochina were toppling, prompt Western reaction in the form of concrete measures to defend the rest of Southeast Asia might still rally non-Communist forces. Burma would be likely to respond and to fight in its own defense if aid and assurances of direct military support were given at once. [Even] Thailand might do likewise if assured of enough forces, including US troops, to defend the country; if the Communist forces consisted initially only of the Viet Minh the Thais might put up a real military resistance at their borders even without direct US aid or the assurance thereof. And if, through prompt assistance to Burma and Thailand, the Communist gains were confined to Indochina, then the repercussions in Indonesia would probably not be ^{as} serious ^{as they might be} after the initial phase.]

4. On the other hand, if the Indochina conflict continued to simmer without apparent gain by either side (even though the

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

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G-v

long-term result of such "simmering" might be a deterioration of the French position and corrosion of French will to continue), it is probable that there would continue to be slow improvement in the attitudes of both Burma and Thailand, ~~meaning chiefly~~ (Delete because not applicable to both countries. Also weakening sentence. Not part of E-W struggle)

~~more effective anti-Communist and anti-Karen action in the former and greater internal strength and stability in the latter~~

In Malaya the British position would probably continue its improvement of the past year, less perhaps in military terms, of stamping out the guerillas, than in terms of gaining the loyalty of rural areas, mostly Chinese, that have hitherto inclined to the Communist side. Indonesia, as stated earlier, would follow a course very hard to predict, which would ^{not} be affected greatly by the events in Indochina aside from the possibility of Western reverse.

5. Finally, if, as a third possibility in the spectrum, the Franco-Vietnamese position gradually improved both in territorial control and in the political battle to attract native loyalty, ~~no more than~~ an emergent upward trend would probably be evident during the period of this estimate, ^{Such a trend would snow ball over the long run.} and the consequences elsewhere would still be along the lines indicated in paragraph 4 for the period of this estimate, though in the longer run they would tend to be far more favorable than in the case of a continued "simmering."

long-term result of such "simmering" might be a deterioration of the French position and corrosion of French will to continue), it is probable that there would ^{nevertheless} continue to be ^{some} slow improvement in the attitudes of both Burma and Thailand, meaning chiefly more effective anti-Communist and anti-Karen action in the former and greater internal strength and stability in the latter. In Malaya the British position would probably continue its improvement of the past year, less perhaps in military terms, of ^{in terms of both} stamping out the guerillas ^{and} than in terms of gaining the loyalty of rural areas, mostly Chinese, that have hitherto inclined to the Communist side. Indonesia, as stated earlier, would follow a course very hard to predict, ^{not} which would ~~be~~ affected greatly by the events in Indochina aside from the possibility of Western reverse.

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G-2*

6. Other major variables, besides Indochina, would be the attitudes taken by India and the situation in Iran. Any change in the Indian position would have ^a ~~greatest~~ bearing in Burma, ^{but little influence elsewhere} ~~al-~~ in S.E.A. though the extent of Indian influence in Burma ^{would} ~~might~~ decline ^{however} if Burma made continued progress on its Communist problem. Loss of Iran to the West would have substantial consequences in Indonesia, dependent in part on the circumstances but with the possibility of a strong increase in Communist influence particularly because of the common Moslem bond.

7. The effects of a Korean armistice (estimated as unlikely over the next six months at least) would be uncertain. On the one hand, the French people, if not their government, might be induced to believe that the armistice opened the way to a possible honorable avenue of withdrawal from the burdensome conflict in Indochina. On the other hand, the Communist ~~forces~~ ^{(Reason: Communists now have capability to invade IC.} that might be released in Korea might so increase the Indochina threat as to cause increased French popular and official pressure for US and UK assurances and perhaps forces in aid of the French position. ^{Question is one of intent not capability)}

Specific Attitudes of Thailand, Burma, and Indonesia

8. Thailand. Barring a western reverse in Indochina, Thailand would almost certainly continue to utilize US aid to

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Iran to the West would have substantial consequences ^{throughout Southeast Asia, by} in Indo-

nesia, ^(reaction of India & others) dependent in part on the circumstances, but with the pos-

sibility of a strong increase in Communist influence, particularly ^{this seems high!} in Indonesia.

^{where} because of the common Moslem bond ^{bleh bleh}.

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Specific Attitudes of Thailand, Burma, and Indonesia

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These two cases do not seem to be "on the one hand, or the other." Latter event might, as first, cause fr. pressure for withdrawal. Second half of this it might take different tack, based on question of Western guarantees to I-C + 50% in event of armistice in K.

build up its armed forces on a modest scale, and would continue to supply rice, rubber, etc., with no more than price haggling. Internally, Communist sentiment would probably remain small, although there would be some susceptibility to Communism among Overseas Chinese, and the government would act against any substantial threat. In Pacific policy, Thailand would probably support a Pacific Pact of broad membership, but would prefer direct alliance with the US. It would welcome increased Japanese trade.

ring

(not getting
any now)

9. Burma. Bar/a Western reverse in Indochina, the Burmese anti-Communist effort will almost certainly continue or increase in scale and effectiveness, and the government would probably utilize increased US aid effectively. However, this effort will continue to depend heavily on the leadership of a very small group of men, and the favorable trend could be stopped or reversed if some of these

(unnecessary
doesn't add
anything)

left the scene in any way. If stability does increase, Burmese supplies of wolfram and oil to the West should increase also. In their basic popular and official attitudes, the Burmese would probably remain formally neutral, though not attracted by Chinese Communist gestures. They would almost certainly seek to avoid any Pacific commitments, and would continue to follow the Arab-Asian bloc in the UN, without however being so deeply affected by colonial issues as the others in that bloc.

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10. Indonesia. The basic Indonesian attitude would almost certainly remain one of neutrality in the East-West conflict. Every

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*might add that orientation
wld prob. be similar even if
coup + new govt occurs
during est.*

9. Burma. Bar ^{any} a Western reverse in Indochina, the Burmese anti-Communist effort will almost certainly continue or increase in scale and effectiveness, and the government would probably utilize increased US aid effectively. However, this effort will continue to depend heavily on the leadership of a very small group of men, and the favorable trend could be stopped or reversed if some of these left the scene in any way. [If stability does increase, Burmese supplies of wolfram and oil to the West should increase also.] In their basic popular and official attitudes, the Burmese would probably remain formally neutral, though not attracted by Chinese Communist gestures. They would almost certainly seek to avoid any Pacific commitments, and would continue to follow the Arab-Asian bloc in the UN, without however being so deeply affected by colonial issues as the others in that bloc.

*Jim
shouldn't it
be mentioned
in the report?*

*Should not
KMT prob.
be mentioned?
Possibly also
Karens?*

10. Indonesia. The basic Indonesian attitude ^{will} would almost certainly remain one of neutrality in the East-West conflict. Every

of attempting to be

See attached
Do you mean deal for deal, gesture for gesture, or Deal w/ gesture?
 D/NB

major concession or deal with the West would be likely to be matched by an equivalent gesture to the Soviet Bloc. Thus, although Indonesia may pursue actively the TCA agreement just reached with the US, she will also be receptive to Soviet Bloc offers to buy rubber and tin in quantity (following up existing small-scale agreements with some of the Satellites). Moreover, efforts against internal Communist activity will continue to be hampered by dissension and possible bad organization of the army, and by the continued appeal of Communist propaganda *to various elements in Indo. pop.* especially among the overseas Chinese, although the danger from the latter group has been reduced by punitive measures that the government is likely to continue. Though it is possible that internal conflict could bring about a serious government deterioration over the next eighteen months, even to the possibility of Communist armed revolt, it is also possible that the ruling groups will draw together to avert impending crises, and that power might come into the hands of one of a number of pro-Western leaders.

Philippines

soften

1. The situation in the Philippines is likely to be one of great confusion in the *coming months* immediate future, but *presidential election in Nov,* this ~~is not~~ likely to *without campaign, nor the outcome are* affect the basic pro-US orientation of the government and people.

The Philippines would be far less affected than the rest of Southeast Asia by any developments either way in the Indochina conflict, although their position might gradually be affected by a series of developments unfavorable to the West.

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Philippines

1. The situation in the Philippines is likely to be one of great confusion in the immediate future, but this is not likely to affect the basic pro-US orientation of the government and people. The Philippines would be far less affected than the rest of Southeast Asia by any developments either way in the Indochina conflict, although their position might gradually be affected by a series of developments unfavorable to the West.

2. The chief variable in the Philippine situation is, of course, the impending presidential election. It is entirely possible that the incumbent Quirino Government will try to prevent fair elections through use of the constabulary or other means, and the fact or threat of such interference might lead to violence between Quirino and the Nationalist party, whether led by Hagsayssay or some other leader. In the political struggle, it is likely that anti-US slogans will be used heavily, but even if the issue of alleged US domination should become ^{general} ~~central~~, it would almost certainly remain an internal political device not affecting the basic foreign policy and attitudes of the government or the mass of the people, or the ^{general} ~~central~~ US-Philippines military and trade agreements.

3. As between Quirino and Hagsayssay, there would probably ^{be} ~~not~~ ^{no great} ~~such~~ difference in their effectiveness against the Huk movement. The only chance for a substantial increase in Huk influence would arise if the electoral conflict led to wholesale corruption and discredited the democratic process at least temporarily. When this happened ~~previously~~ in 1949, the Huk gained greatly from the ensuing disillusionment, and this could happen again, though perhaps not on so great a scale.

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3. As between Quirino and Magsaysay, there would probably not be much difference in their effectiveness against the Huk movement.

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disillusionment, and this could happen again, ^{on even a greater} though perhaps not on

~~so great a scale.~~ ^{Scale.}

Do not agree. Neither does O/C. Magsaysay could be optimum choice so far as anti-Huk force is concerned, but would be to lesser degree if ^{major fraud} any fraud in his election. Quirino less effective ag. Huk, & high probability that he could beat win, running ag. either Mag. or Laurel, unless ^{major fraud} fraud in election involved. If this the case, Huk will pick up.